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EDUCATION

SENATE FILE 2300

BY VILSACK, DEARDEN, DELUHERY,
FINK, HALVORSON, HAMMOND,
FLYNN, BLACK of Jasper, HARPER,
CONNOLLY, KIBBIE, HORN,
JUDGE, NEUHAUSER, PALMER,
GRONSTAL, GETTINGS, DVORSKY,
FRAISE, and HANSEN

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the establishment of a retaining our achievers
2 loan program and fund to be administered by the college
3 student aid commission.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 2300

1 Section 1. NEW SECTION. 261.56 PAYMENT OF RETAINING OUR
2 ACHIEVERS LOAN -- FUND.

3 1. Payment of a loan made under the retaining our
4 achievers loan program under section 261.111 shall begin one
5 year after a recipient completes the academic or vocational-
6 technical program for which tuition and fees were received
7 except as otherwise provided in this section.

8 2. If the recipient was a full-time student and submits
9 evidence to the commission that the recipient was a resident
10 of this state during the year following the completion of the
11 academic or vocational-technical program and the achievement
12 of a certificate, diploma, or degree as provided in this
13 section, the commission shall cancel the loan amount the
14 recipient accumulated under the loan program in the first year
15 in which the recipient received a loan from the commission.
16 For each succeeding year in which the recipient certifies
17 residency to the commission, the commission shall cancel one
18 year of the loan amount.

19 3. If the recipient was a full-time student and submits
20 evidence to the commission that the recipient was a resident
21 of the state during the second succeeding year following
22 completion of the academic or vocational-technical program and
23 the achievement of a certificate, diploma, or degree as
24 provided in this section, the commission shall cancel the loan
25 amount the recipient accumulated under the loan program in the
26 second year in which the recipient received a loan from the
27 commission. For each succeeding year in which the recipient
28 certifies residency to the commission, the commission shall
29 cancel one year of the loan amount, or the remainder of the
30 loan amount, whichever is less.

31 4. If the recipient was a full-time student and submits
32 evidence to the commission that the recipient was a resident
33 of the state during the third succeeding year following
34 completion of the academic or vocational-technical program and
35 the achievement of a certificate, diploma, or degree as

1 provided in this section, the commission shall cancel the loan
2 amount the recipient accumulated under the loan program in the
3 third year in which the recipient received a loan from the
4 commission. For each succeeding year in which the recipient
5 certifies residency to the commission, the commission shall
6 cancel one year of the loan amount, or the remainder of the
7 loan amount, whichever is less.

8 5. If the recipient was a full-time student and submits
9 evidence to the commission that the recipient was a resident
10 of the state during the fourth succeeding year following
11 completion of the academic or vocational-technical program and
12 the achievement of a certificate, diploma, or degree as
13 provided in this section, the commission shall cancel the loan
14 amount the recipient accumulated under the loan program in the
15 fourth year in which the recipient received a loan from the
16 commission. For each succeeding year in which the recipient
17 certifies residency to the commission, the commission shall
18 cancel one year of the loan amount, or the remainder of the
19 loan amount, whichever is less.

20 6. If the recipient was a full-time student and submits
21 evidence to the commission that the recipient was a resident
22 of the state during the fifth succeeding year following
23 completion of the academic or vocational-technical program and
24 the achievement of a certificate, diploma, or degree as
25 provided in this section, the commission shall cancel the loan
26 amount the recipient accumulated under the loan program in the
27 fifth year in which the recipient received a loan from the
28 commission. For each succeeding year in which the recipient
29 certifies residency to the commission, the commission shall
30 cancel one year of the loan amount, or the remainder of the
31 loan amount, whichever is less.

32 7. The commission shall determine a loan cancellation
33 timetable for part-time students equivalent to the timetable
34 described for full-time students under this section.

35 8. There is created a retaining our achievers loan payment

1 fund for deposit of payments made by recipients. Payments
2 made by recipients of the loans shall be used to supplement
3 moneys appropriated to the guaranteed loan payment program.
4 Any funds remaining on June 30 of a fiscal year shall be
5 transferred from the fund created in this section to the
6 general fund of the state.

7 9. The interest rate collected on a retaining our
8 achievers loan shall be equal to the interest rate being
9 collected by an eligible lender under the guaranteed loan
10 payment program.

11 10. The commission shall prescribe by rule the terms of
12 repayment.

13 Sec. 2. NEW SECTION. 261.111 RETAINING OUR ACHIEVERS
14 LOAN PROGRAM.

15 1. A retaining our achievers loan program is established
16 to be administered by the college student aid commission as
17 provided in this section. The purpose of the loan program is
18 to increase the number of Iowans who remain residents of this
19 state upon graduation from an accredited postsecondary
20 institution in Iowa.

21 2. An individual is eligible for the program if the
22 individual meets all of the following conditions:

23 a. Is a resident of this state who is accepted for
24 enrollment in an academic or vocational-technical program at
25 an institution of higher learning under the control of the
26 state board of regents, a community college, or an accredited
27 private institution as defined in section 261.9.

28 b. Has filed an application with the commission using
29 procedures specified in section 261.16.

30 c. Agrees to remain a resident of Iowa for at least one
31 year after attaining a certificate, diploma, or undergraduate
32 degree as provided in this section, for each year the
33 individual received a loan.

34 3. The annual amount of a loan to a qualified student
35 shall be the amount of the student's financial need for that

1 period, but shall not exceed the resident tuition rate
2 established for institutions of higher learning under the
3 control of the state board of regents. Loans for full-time
4 students shall be granted for not more than five years, and
5 for part-time students shall be granted for not more than ten
6 years.

7 4. The commission shall adopt rules under chapter 17A to
8 administer the program. The commission shall set a final date
9 for submission of applications each year and shall review the
10 applications and inform the recipients within a reasonable
11 time after the deadline.

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EXPLANATION

13 This bill establishes a retaining our achievers loan
14 program to be administered by the college student aid
15 commission. The purpose of the loan program is to increase
16 the number of Iowans who remain residents of this state upon
17 graduation from an accredited postsecondary institution in
18 Iowa.

19 An individual is eligible for the loan program if the
20 individual is a resident of this state who is accepted for
21 enrollment in an academic or vocational-technical program at
22 an accredited postsecondary institution in this state and
23 agrees to remain a resident of Iowa for at least one year
24 after attaining a certificate, diploma, or degree, for each
25 year the individual received a loan.

26 The annual amount of a loan shall be the amount of the
27 student's financial need, but shall not exceed the resident
28 tuition rate established for regents institutions of higher
29 learning. Loans for full-time students shall be granted for
30 not more than five years, and for part-time students shall be
31 granted for not more than 10 years.

32 Payment of a loan shall begin one year after the recipient
33 completes the academic or vocational-technical program for
34 which tuition and fees were received unless the recipient
35 submits evidence of residency to the commission. The

1 commission shall cancel one year of the loan amount for each
2 year in which the recipient certifies residency. The
3 commission shall determine a loan cancellation timetable for
4 part-time students equivalent to the timetable described in
5 the bill for full-time students.

6 The bill also creates a loan payment fund for deposit of
7 payments made by recipients. Payments made by recipients of
8 the loans shall be used to supplement moneys appropriated to
9 the guaranteed loan payment program.

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